

DEPARTMENT OF NATURAL RESOURCES

SUMMARY

The Department of Natural Resources (DNR) manages the protection, enhancement, and balanced use of the State's natural resources. To accomplish this mission, the Department is organized into an administrative agency and 11 programmatic agencies: Forest, Wildlife, and Heritage Service; Forest and Park Service; Land and Water Conservation Service; Licensing and Registration Service; Natural Resources Police; Chesapeake Bay Critical Areas Commission; Resource Assessment Service; Maryland Environmental Trust; Chesapeake and Coastal Watershed Service; Chesapeake Conservation Education; and the Fisheries Service.

The Department's capital improvement program reflects two goals: resource conservation and recreational development. The programs supporting these goals include Program Open Space (POS), the Rural Legacy Program, GreenPrint, the Waterway Improvement Program and Ocean City Beach Maintenance. The Department also administers capital improvements and maintenance on over 350,000 acres of public land operated by the State Forest and Park Service and Wildlife Division. Funding for the Department's capital improvement program primarily consists of special fund revenues from the State's property transfer tax and the Waterway Improvement Fund.

Five-Year Capital Improvement Program Summary

| | <u>FY 2005</u> | <u>FY 2006</u> | <u>FY 2007</u> | <u>FY 2008</u> | <u>FY 2009</u> | <u>TOTAL</u> |
|---------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Critical Maintenance Projects | 3,500 | 3,500 | 5,000 | 5,000 | 5,000 | 22,000 |
| Natural Resources Development Fund | 3,435 | 7,350 | 6,200 | 6,500 | 7,200 | 30,685 |
| Dam Rehabilitation Program | 500 | 500 | 500 | 500 | 150 | 2,150 |
| Oyster Restoration Program | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | 15,000 |
| Program Open Space | 17,000 | 82,850 | 85,200 | 87,300 | 89,500 | 361,850 |
| GreenPrint | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 25,000 |
| Community Parks and Playgrounds | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 25,000 |
| Rural Legacy Program | - | 14,650 | 14,800 | 14,950 | 15,100 | 59,500 |
| Waterway Improvement Fund | 12,450 | 12,450 | 12,450 | 12,500 | 12,500 | 62,350 |
| Ocean City Beach Maintenance Fund | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 10,000 |
| Shore Erosion Control Loan Program | 500 | 500 | 500 | 500 | 500 | 2,500 |
| TOTAL | 52,385 | 136,800 | 139,650 | 142,250 | 144,950 | 616,035 |

All dollars in table are displayed in thousands.

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CHANGES TO FY 2004 - FY 2008 CAPITAL IMPROVEMENT PROGRAM

Changes to FY 2005

Additions:

Community Parks and Playgrounds: Funding to continue the Community Legacy Program, which provides flexible grants to local governments for the restoration of existing, and creation of new, park and green space systems in Maryland's cities and towns, has been provided in the FY 2005 - FY 2009 Capital Improvement Program.

GreenPrint: Funding for the GreenPrint program has been provided to continue the acquisition and preservation of ecologically valuable land that plays an important role in protecting the Chesapeake Bay.

Deletions:

Rural Legacy Program: Funding has been deleted because transfer tax revenues will be diverted to the General Fund due to a shortfall in revenue to support the State's Operating Budget. The requirement to provide \$5 million in GO Bonds for this program has been eliminated to provide the Administration with more flexibility in developing the annual capital budget and five-year capital improvement program.

Changes to FY 2006 - FY 2008

None

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FY 2005 - FY 2009 Capital Improvement Program State-Owned Facilities

LAND AND WATER CONSERVATION SERVICE Budget Code: KA0510

| | | |
|--|----------------------|----------------|
| Critical Maintenance Projects (Statewide) | FY 2005 Total | \$3,500 |
|--|----------------------|----------------|

Construct critical maintenance projects including: exterior and interior repairs to buildings, water and sewer system improvements, bridge and culvert repairs, minor dam repairs, electrical and heating system upgrades, vehicle lift repairs, and parking lot and road resurfacing. The FY 2005 budget provides funding for approximately 150 maintenance projects.

| <u>Source</u> | <u>FY 2005</u> | <u>FY 2006</u> | <u>FY 2007</u> | <u>FY 2008</u> | <u>FY 2009</u> | <u>TOTAL</u> |
|---------------|----------------|----------------|----------------|----------------|----------------|--------------|
| SF (POS) | 3,500 | 3,500 | 5,000 | 5,000 | 5,000 | 22,000 |

| | | |
|---|----------------------|----------------|
| Natural Resources Development Fund | FY 2005 Total | \$3,435 |
|---|----------------------|----------------|

Provide a fund to design and construct development projects on DNR property. Projects include shower buildings, building renovations, roads, parking, and trail improvements, and general park improvements. *(Projects included for funding through this program are listed on page 109.)*

| <u>Source</u> | <u>FY 2005</u> | <u>FY 2006</u> | <u>FY 2007</u> | <u>FY 2008</u> | <u>FY 2009</u> | <u>TOTAL</u> |
|---------------|----------------|----------------|----------------|----------------|----------------|---------------|
| GO Bonds | 3,072 | - | - | - | - | 3,072 |
| SF (POS) | 363 | 7,350 | 6,200 | 6,500 | 7,200 | 27,613 |
| TOTAL | 3,435 | 7,350 | 6,200 | 6,500 | 7,200 | 30,685 |

| | | |
|---|----------------------|--------------|
| Dam Rehabilitation Program (Statewide) | FY 2005 Total | \$500 |
|---|----------------------|--------------|

Construct repairs to dams located on land owned by the Department of Natural Resources. This program will repair structural deficiencies of dams. Funding for this program is generally derived from State transfer tax revenues allocated to Program Open Space. In FY 2005, however, most of the transfer tax revenue will be diverted to the General Fund due to a shortfall in revenue to support the State's operating budget. GO Bonds will be used to offset the loss of transfer tax revenue for this program. The FY 2005 budget includes funding to complete repairs to Union Dam in Howard County.

| <u>Source</u> | <u>FY 2005</u> | <u>FY 2006</u> | <u>FY 2007</u> | <u>FY 2008</u> | <u>FY 2009</u> | <u>TOTAL</u> |
|---------------|----------------|----------------|----------------|----------------|----------------|--------------|
| GO Bonds | 500 | - | - | - | - | 500 |
| SF (POS) | - | 500 | 500 | 500 | 150 | 1,650 |
| TOTAL | 500 | 500 | 500 | 500 | 150 | 2,150 |

Total Program - Land and Water Conservation Service

| <u>Source</u> | <u>FY 2005</u> | <u>FY 2006</u> | <u>FY 2007</u> | <u>FY 2008</u> | <u>FY 2009</u> | <u>TOTAL</u> |
|---------------|----------------|----------------|----------------|----------------|----------------|---------------|
| GO Bonds | 3,572 | - | - | - | - | 3,572 |
| SF (POS) | 3,863 | 11,350 | 11,700 | 12,000 | 12,350 | 51,263 |
| TOTAL | 7,435 | 11,350 | 11,700 | 12,000 | 12,350 | 54,835 |

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FISHERIES SERVICE
Budget Code: KA1712

Oyster Restoration Program (Statewide) FY 2005 Total **\$3,000**

Provide funds to construct and rehabilitate oyster habitat in the Chesapeake Bay and its tributaries to support the growth of oysters as part of a larger effort to improve the health of the bay. Meeting the goal of a ten-fold increase in the oyster population by 2010 will improve water quality because oysters filter pollutants.

| <u>Source</u> | <u>FY 2005</u> | <u>FY 2006</u> | <u>FY 2007</u> | <u>FY 2008</u> | <u>FY 2009</u> | <u>TOTAL</u> |
|---------------|----------------|----------------|----------------|----------------|----------------|--------------|
| GO Bonds | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | 15,000 |

Subtotals - State-Owned Facilities

| <u>Source</u> | <u>FY 2005</u> | <u>FY 2006</u> | <u>FY 2007</u> | <u>FY 2008</u> | <u>FY 2009</u> | <u>TOTAL</u> |
|---------------|----------------|----------------|----------------|----------------|----------------|--------------|
| GO Bonds | 6,572 | 3,000 | 3,000 | 3,000 | 3,000 | 18,572 |
| SF | 3,863 | 11,350 | 11,700 | 12,000 | 12,350 | 51,263 |
| TOTAL | 10,435 | 14,350 | 14,700 | 15,000 | 15,350 | 69,835 |

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FY 2005 - FY 2009 Capital Improvement Program Grants and Loans

LAND AND WATER CONSERVATION SERVICE

Budget Code: KA0510

Program Open Space (Statewide) FY 2005 Total \$17,000

Maryland's Program Open Space (POS) provides up to 100% of a project's cost for the acquisition of open space areas throughout the State and up to 90% for development of local outdoor recreation areas. Funding for Program Open Space comes from the collection of a 0.5% State property transfer tax. In FY 2005, however, most of the transfer tax revenue will be diverted to the General Fund due to a shortfall in revenue to support the State's operating budget.

| <u>Source</u> | <u>FY 2005</u> | <u>FY 2006</u> | <u>FY 2007</u> | <u>FY 2008</u> | <u>FY 2009</u> | <u>TOTAL</u> |
|---------------|----------------|----------------|----------------|----------------|----------------|----------------|
| GO Bonds | 15,000 | - | - | - | - | 15,000 |
| SF | - | 80,850 | 83,200 | 85,300 | 87,500 | 336,850 |
| FF | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 10,000 |
| TOTAL | 17,000 | 82,850 | 85,200 | 87,300 | 89,500 | 361,850 |

Disposition of Transfer Tax Revenue

The following chart details the disposition of all State property transfer tax revenue available in FY 2005.

| <u>Available Revenue</u> | <u>Amount</u> |
|--------------------------|----------------|
| Estimated Transfer Tax | 132,797 |
| FY 2003 Overattainment | 25,374 |
| TOTAL | 158,171 |

| <u>Disposition of Revenue</u> | <u>Amount</u> |
|---|----------------|
| Transfer to General Fund (2004 Budget Reconciliation) | 70,280 |
| Transfer to General Fund (2003 Budget Reconciliation) | 77,094 |
| Program Open Space Administrative Expenses | 3,984 |
| Pocomoke River State Park - Septic System Upgrade | 363 |
| Ocean City Beach Maintenance | 1,000 |
| Heritage Areas Authority (DHCD) | 1,000 |
| State Park Critical Maintenance | 3,500 |
| State Park Operating Expenses | 950 |
| TOTAL | 158,171 |

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Maryland GreenPrint Program (Statewide) FY 2005 Total **\$5,000**

This program provides funding for the acquisition, protection, and creation of a network of ecologically valuable lands, particularly large tracts containing forest lands and wetlands. Acquisitions and easements would be targeted exclusively toward acquiring and filling gaps in key hubs and corridors in the network. New computer-based assessment and targeting tools would be used to help identify the most strategic acquisitions. The FY 2005 funds would protect 2,500 acres.

| <u>Source</u> | <u>FY 2005</u> | <u>FY 2006</u> | <u>FY 2007</u> | <u>FY 2008</u> | <u>FY 2009</u> | <u>TOTAL</u> |
|---------------|----------------|----------------|----------------|----------------|----------------|--------------|
| GO Bonds | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 25,000 |

Community Parks and Playgrounds (Statewide) FY 2005 Total **\$5,000**

This program provides funding for the restoration of existing, and creation of new, park and green space systems in Maryland's cities and towns. The program will provide flexible grants to local governments to respond to the unmet need for assistance to rehabilitate, expand or improve existing parks or create new parks, or purchase and install playground equipment in older neighborhoods and intensely developed areas throughout the State.

| <u>Source</u> | <u>FY 2005</u> | <u>FY 2006</u> | <u>FY 2007</u> | <u>FY 2008</u> | <u>FY 2009</u> | <u>TOTAL</u> |
|---------------|----------------|----------------|----------------|----------------|----------------|--------------|
| GO Bonds | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 25,000 |

Rural Legacy Program (Statewide)

The Rural Legacy Program provides targeted funding for the preservation of the natural resources and resource-based economies of Maryland through the purchase of conservation easements and fee simple acquisition of land located in designated protection areas. These areas include prime agricultural and forest lands, natural and wildlife habitats, and sites which provide public access to recreational resources and the Chesapeake Bay.

| <u>Source</u> | <u>FY 2005</u> | <u>FY 2006</u> | <u>FY 2007</u> | <u>FY 2008</u> | <u>FY 2009</u> | <u>TOTAL</u> |
|---------------|----------------|----------------|----------------|----------------|----------------|--------------|
| SF | - | 14,650 | 14,800 | 14,950 | 15,100 | 59,500 |

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Budget Code: KA0511

Waterway Improvement Program (Statewide) FY 2005 Total **\$12,450**

This program provides funds to local jurisdictions to finance projects which expand and improve recreational boating throughout the State consistent with the State Boat Act. The funds appropriated for this purpose are administered in accordance with Sections 8-707 through 8-709 of the Natural Resources Article. Financial support for the Fund comes primarily from a 5% excise tax on the sale of motorized vessels within the State and from 0.3% of the eligible proceeds from Maryland's motor fuel tax. The following capital project categories are proposed for FY 2005:

| <u>Category</u> | <u>Amount</u> |
|---|---------------|
| Matching Fund (10% to 50%) State grants to complete public waterway improvement projects. | 3,350 |
| Local grants (100%) to design, construct and maintain public boating facilities located on land owned by local jurisdictions. | 3,399 |
| Dredging grant (100%) to design and construct channels and breakwaters providing public access to Maryland waterways. | 2,440 |
| Shore erosion control loans to local jurisdictions and individuals to design and construct erosion control measures. | 500 |
| State projects (100%) to design, develop and maintain public boating facilities located on State lands. | 2,761 |
| TOTAL | 12,450 |

| <u>Source</u> | <u>FY 2005</u> | <u>FY 2006</u> | <u>FY 2007</u> | <u>FY 2008</u> | <u>FY 2009</u> | <u>TOTAL</u> |
|---------------|----------------|----------------|----------------|----------------|----------------|---------------|
| SF | 11,950 | 11,950 | 11,950 | 12,000 | 12,000 | 59,850 |
| FF | 500 | 500 | 500 | 500 | 500 | 2,500 |
| TOTAL | 12,450 | 12,450 | 12,450 | 12,500 | 12,500 | 62,350 |

DEPARTMENT OF NATURAL RESOURCES

Budget Code: KA0512

Ocean City Beach Replenishment Fund (Worcester County) FY 2005 Total \$2,000

This fund was established to provide for the continued maintenance of the restored beach at Ocean City. Maintenance activities include yearly monitoring and periodic beach nourishment, which is cost-shared at a 53% federal and 47% non-federal ratio, and yearly maintenance which is solely the responsibility of the State and local government. The total average yearly non-federal cost is \$2,000,000, which is shared 50% State, 25% Worcester County, and 25% Town of Ocean City.

| <u>Source</u> | <u>FY 2005</u> | <u>FY 2006</u> | <u>FY 2007</u> | <u>FY 2008</u> | <u>FY 2009</u> | <u>TOTAL</u> |
|---------------|----------------|----------------|----------------|----------------|----------------|---------------|
| SF (POS) | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 5,000 |
| SF | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 5,000 |
| TOTAL | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 10,000 |

Budget Code: KA0514

Shore Erosion Control Loan Program (Statewide) FY 2005 Total \$500

These funds will be used to provide loans and grants to groups of property owners, municipalities and counties to complete shore erosion control projects pursuant to the Natural Resources Article, Section 8-1001 through Section 8-1007. The loans made under this program are interest-free and for the purpose of providing design and construction of structural shore erosion control projects. The grants made under this program require a 50% match and are for the purpose of providing design and construction of non-structural shore erosion control projects. The special funds shown for this program are derived from loan repayments, administrative charges and the Waterway Improvement Fund.

| <u>Source</u> | <u>FY 2005</u> | <u>FY 2006</u> | <u>FY 2007</u> | <u>FY 2008</u> | <u>FY 2009</u> | <u>TOTAL</u> |
|---------------|----------------|----------------|----------------|----------------|----------------|--------------|
| SF | 500 | 500 | 500 | 500 | 500 | 2,500 |

Subtotals - Grant and Loan Programs

| <u>Source</u> | <u>FY 2005</u> | <u>FY 2006</u> | <u>FY 2007</u> | <u>FY 2008</u> | <u>FY 2009</u> | <u>TOTAL</u> |
|---------------|----------------|----------------|----------------|----------------|----------------|----------------|
| GO Bonds | 25,000 | 10,000 | 10,000 | 10,000 | 10,000 | 65,000 |
| SF | 14,450 | 109,950 | 112,450 | 114,750 | 117,100 | 468,700 |
| FF | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 12,500 |
| TOTAL | 41,950 | 122,450 | 124,950 | 127,250 | 129,600 | 546,200 |

Total Program - Department of Natural Resources

| <u>Source</u> | <u>FY 2005</u> | <u>FY 2006</u> | <u>FY 2007</u> | <u>FY 2008</u> | <u>FY 2009</u> | <u>TOTAL</u> |
|---------------|----------------|----------------|----------------|----------------|----------------|----------------|
| GO Bonds | 31,572 | 13,000 | 13,000 | 13,000 | 13,000 | 83,572 |
| SF | 18,313 | 121,300 | 124,150 | 126,750 | 129,450 | 519,963 |
| FF | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 12,500 |
| TOTAL | 52,385 | 136,800 | 139,650 | 142,250 | 144,950 | 616,035 |

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Natural Resources Development Projects (By Subdivision)

| <u>Subdivision</u> | <u>Project</u> | <u>Total Cost</u> | <u>Prior Auth.</u> | <u>FY 2005 Request</u> | <u>Future Request</u> |
|--------------------|--|-----------------------|------------------------|----------------------------|---------------------------|
| Baltimore | Gunpowder Falls State Park - Hammerman Area New Beach Services Building | 2,615 | 265 P | 2,350 CE | - |
| Calvert | Calvert Cliffs State Park - Road/Parking Improvements | 784 | 62 P | 722 C | - |
| Worcester | Pocomoke Shad Landing Septic System Upgrade | 3,372 | 75 P | 363 P | 2,934 C |
| TOTAL | | 6,771 | 402 | 3,435 | 2,934 |